



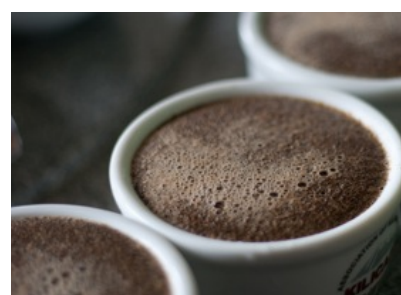
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The Relationship Information Tracking System (RITS): Building Simple Applications to Improve Coffee Traceability, Transparency and Quality

Quarter 8 Activity Report
January 15, 2012



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Title of Activity:	The Relationship Information Tracking System (RITS): Building Simple Applications to Improve Coffee Traceability, Transparency and Quality
Start Date of Reporting Period:	October 1, 2011
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Objectives

During the months July-September 2011, Sustainable Harvest staff focused on the task *Implementation of RITS*:

- * Task 3: Technology Dissemination – After this technology has proven successful in increasing Kilicafe's competitive advantage, Sustainable Harvest will update the application with suggestions from the cooperative members and other supply chain partners. Sustainable Harvest would then like to make this technology available to other cooperatives in Tanzania, and begin pilot programs in other regions to identify how the systems will need to be adapted to cater to the special circumstances faced by coffee farmers around the world.

Our objectives during the seventh quarter were to:

- To continue to link Kilicafe to potential buyers and facilitate contract signing
- To continue tracking coffee and farmer payments at RITS washing stations
- To monitor and evaluate two years of the RITS program with Kilicafe

Narrative Summary

By the end of September, all RITS washing stations are receiving high volumes of coffee. With all users familiar with the RITS interface and members of the washing station trained in quality improvement techniques, efforts in this quarter have focused on troubleshooting RITS, linking Kilicafe to new potential buyers and extending traceability to the roaster level. This quarter marks the final in the original proposal and in the month of November Sustainable Harvest staff dedicated two weeks to monitoring and evaluating two years of the RITS Program with Kilicafe.

Linking Kilicafe to potential buyers

During the months of October to December, Sustainable Harvest staff continue to work alongside Kilicafe's marketing and sales team to identify speciality coffee buyers for the RITS 2011 harvest, prepare pre-shipment samples for approval by interested buyers and organize logistics for shipping the coffee. Allegro signed a contract for one container of Kilicafe speciality coffee at the end of the last quarter and in October Boss Farijallah and Lazarus Haonga, Head of Marketing and Sales for Kilicafe, dedicated efforts to produce a sample of coffee that suited required specifications. Meanwhile, Sustainable Harvest's IT team focused on developing a roaster page in RITS. By scanning a QR code associated with a specific coffee sample, the roaster is able to view batches of coffee from all washing stations contributing to the bags of coffee procured providing the coffee sample is approved. The roaster can also view every single delivery from each individual farmer that represents the sample and the quality scores given by Kilicafe and Sustainable Harvest staff at origin.

Allegro Coffee Company were the first to receive a pre-shipment sample with a QR code attached. By simply scanning the code



with a smart phone device Christy Thorns, Allegro's Director of Sourcing, was able to access all the aforementioned data associated with the container of coffee contracted. Allegro approved the sample for sale in November and the same month the coffee was shipped to the US, due to land in 2012. In her roaster satisfaction assessment, Christy relates the increasing importance of supply chain transparency in a world of GMO and slavery issues. In the not so distant future she believes roasters will have to verify from where their coffee has been sourced down to the farm level and notes that RITS places Kilicafe far ahead of its competitors in overcoming this task.

Also in this quarter, another important coffee buyer from the UK has been in conversation with Sustainable Harvest concerning Kilicafe's coffee. Not aware of the coffee's profile, having not sampled it previously, the buyer was more interested in the traceability that RITS provides; the ability to trace a container of coffee right back to each contributing individual farmer. The buyer was sent a pre-shipment sample to evaluate in November and approved the coffee for sale in December. Boss Farijallah and Lazarus Haonga will work on shipment logistics for this container in the New Year. Signing with another potential US buyer also continues to be negotiated.

Tracking coffee and expenses at RITS washing stations

With this quarter marking the highest in the year for production, farmer payments and the volumes of coffee tracked using RITS have surged. As demonstrated in the table below, the number of registered farmers in the system has more than doubled and volumes of coffee tracked have nearly tripled. Over \$170,000 of advanced farmer payments have also been tracked in the system.

Chart 1: RITS Expansion Data

Metric	2010	2011 to date
Washing stations	4	10
Registered Farmers	1700	3369
Volume of coffee tracked (Kg)	53104	131485
Farmer payments tracked (\$)	0	170472

With all users apt in navigating RITS and quality control effectively managed, this quarter marked an appropriate opportunity for teaching the users a new skill to further improve washing station efficiency. In the 2010 RITS user survey, over 90% of the users wanted RITS trainings to include tracking washing station expenses as well as coffee. It was decided earlier in the year that it would be significantly easier to train managers in how to use excel to fulfill these needs rather than extend RITS to encompass the data. Furthermore, the Kilicafe accounting team use excel to track their own financial data so excel would provide a more efficient platform for sharing financial information. Sustainable Harvest wanted to ensure that access to important financial



data remained within Kilicafe's staff. Yohana Mwakisole, The Northern Chapter Accountant, was invited to train the users in how to use an online spreadsheet shared between washing station managers and the accounting team via GoogleDocs. RITS users, which include washing station managers and accountants, learnt how to enter and track money lent and money spent at the washing station level in real time. Whereas previously Kilicafe accountants would have to communicate with groups via phone and trust the information relayed, constant access to RITS

group data via the spreadsheet will significantly increase financial transparency and lending efficiency.

Monitoring and Evaluating the RITS program

In November Ezra Spier, Sustainable Harvest's Web/Mobile Developer was invited to Tanzania to help Carly Griggs monitor and evaluate two years of the RITS program in partnership with Kilicafe. The program spanned a two week period and involved meetings and open discussions with all of Kilicafe Northern Chapter leadership, surveying RITS users across the 7 northern chapter RITS groups and a one day focus group and brainstorming session at the Moshi office. The objectives of the trip were to evaluate the effectiveness of RITS as a system designed to improve traceability, transparency and coffee quality, to highlight continuing challenges and to discuss the sustainability of RITS into 2012.

Results from the North have been very positive and will be analyzed alongside those from the South after the planned trip to Mbinga in January, at which time a report will be presented to USAID/COMPETE staff. Initial analysis reveals internet connectivity remains the most prevalent and enduring challenge to an otherwise extremely successful program. All users interviewed want to continue using RITS and conveyed distress at the thought of returning to the traditional pen and paper recording system. Farmers particularly appreciate the ability to view their own individual farmer records and be quickly reassured of their data relating to coffee delivered, payments received and payments owed. They have also overcome initial fears associated with data being stored within an electronic device and now have more trust in the computer than they do in the hand written accounts they were previously provided. Also significant is the \$280 the seven groups have cumulatively saved in stationary costs compared to the year previous to using RITS, savings that will go back into the pockets of the smallholder farmers themselves.

Discussions with Kilicafe staff reveal RITS to be a useful tool and each department are now more aware of the benefits the system can bring to them in terms of tracking coffee production and farmer payments. Geoffrey Mwa Ngulumbi, Kilicafe's Managing Director, is keen to see

RITS remain successful beyond the scope of the program, and discussions with him to ensure sustainability of this important tool will continue into 2012.

Chart 1: Objective, Activity, and Result

Objective	Activity	Result
To link Kilicafe to potential buyers	Facilitating relationships between speciality coffee buyers and roasters	Allegro's container has been shipped, one container for a UK buyer has been approved and will be shipped in the coming quarter and negotiations continue regarding a contract with GMCR and a potential contract with another US buyer
	Increase transparency between growers and roasters	Through scanning a QR code attached to the pre-shipment sample, Allegro were able to access information regarding all the producers that will contributed to the lot of coffee the QR code represents
Continuing to track coffee via RITS from reception through to the dry mill	Conduct training on CPU expenses	10 RITS users from the Northern Chapter trained in how to use spreadsheets to track monthly expenditure at the washing station level
Monitoring and Evaluating the RITS program	Meeting with Kilicafe leadership	The accounting, production and sales teams at Kilicafe are more in touch with how RITS can improve efficiency at the leadership level. Open discussions and a presentation to the board of the Northern Chapter presented further ideas and relayed gratitude.
	Conducting surveys and focus group discussions with RITS users	Internet connectivity and electricity access remain boundaries to the success of RITS as an efficient tracking tool. Despite this 100% of RITS users remain adamant they prefer RITS to tracking by pen an paper because of all the added advantages it brings.

Challenges

Electricity supplies in this quarter have proven to be more reliable at the washing station level as rationing has been drastically reduced across the country. Internet connectivity does remain an issue. Despite field visits to affected groups accompanied by a qualified Vodacom engineer at the beginning of the quarter, sporadic and unreliable connections remain problematic. Groups that previously had reliable connectivity are also affected. The likely reason is saturation of the network as an ever increasing number of people own mobile phones and also use them to access the internet. Carly Griggs remains in contact with Vodacom, however the issue is widespread and requires decisions made at a national rather than district level.